

State of Connecticut

GENERAL ASSEMBLY



PERMANENT COMMISSION ON THE STATUS OF WOMEN

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Testimony of
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Before the
Appropriations Committee
Wednesday, February 16, 2005

H.B. 6671, An Act Concerning the State Budget for the Biennium Ending June 30, 2007, and Making Appropriations Therefor

Re: Appropriations for the Department of Labor, Office of Workforce Competitiveness, and Department of Community and Economic Development

Good evening Sen. Harp, Rep. Merrill and members of the Committee. My name is Leslie Gabel-Brett and I am the Executive Director of the Permanent Commission on the Status of Women. Thank you for this opportunity to testify regarding proposed appropriations for the Department of Labor, Office of Workforce Competitiveness, and Department of Community and Economic Development.

As you may know, the Permanent Commission on the Status of Women has identified job training and economic opportunities for low-income women as a high priority for many years. We have been addressing the persistent causes of family poverty as well as wage inequality for women by promoting programs and policies that provide education, job training, career ladders, entrepreneurship and opportunities to enter higher-wage nontraditional occupations.

With respect to this year's budget proposals, we are pleased to begin with the good news: We support proposals to continue and increase funding for the Career Ladder Pilot Programs and the Jobs Funnel program within the Office of Workforce Competitiveness. The PCSW has been co-chairing the Career Ladders Advisory Committee with OWC, and we are initiating several exciting pilots to help low-wage workers in childcare and health care to obtain additional training in their fields in order to increase their skills and earnings. For example, we are excited about the new Allied Health Academy in the Hartford area that will offer a "bridge" for Certified Nurses' Aides to continue their education toward becoming nurses. We are also proud of initiatives to expand education and wage advancement opportunities for workers in the field of early care and education. The Jobs Funnel program has been very successful in providing job training and placement to city residents. As part of the Hartford Construction Jobs Initiative, the PCSW has run an effective pre-apprenticeship training program for women who wish to enter the skilled trades. These are programs that work, and we urge you to support continued funding for them.

We also support the continued funding within the Department of Economic and Community Development for Entrepreneurial Centers, although we respectfully note that the proposed appropriation of \$142,000 is very small, and less than it used to be. Moreover, DECD used to have an office specifically established to assist small businesses, but funding for that office was eliminated several years ago. Small business development is the engine of our economy, and small businesses provide the majority of jobs in our state economy. We urge you to expand rather than decrease our investment in programs that assist low- to moderate-income women and others to learn the skills necessary to start and grow small businesses.

With respect to the proposed budget for the Department of Labor, we would like to raise several concerns. Our greatest concern is the continued under-funding of the Jobs First Employment Services for recipients of Temporary Family Assistance. This line item, under-funded from the start, when this responsibility was transferred to DOL as part of our state welfare reform in the late 90's, was once funded at \$24 million per year. It is now \$16.3 million, and the Governor's budget recommends reducing the appropriation by approximately half a million below projected current services in the second year of the biennium.

We recommend exactly the opposite. We recommend increasing the appropriation for the Jobs First Employment Services line by \$18 million, using federal TANF funds received by the state but currently used for other purposes. We further recommend that these funds be targeted to basic education, including literacy, numeracy and ESL, for completion of high school or a GED, and for other vocational education programs. We think this is a good investment to increase the employability and earnings of welfare recipients and to help the state meet its federal TANF participation requirements.

We also think this is a sound investment in our state's economy. Businesses across the state need workers with basic skills in reading, numeracy, problem-solving, and specific occupational skills which meet the needs of employers. *Yet nearly 40% of welfare recipients participating in the Jobs First program have not completed high school. Only 12% of participants in the Jobs First Employment program have any education beyond high school.*¹

The link between education and training and economic success is clear. The Center for Law and Social Policy released a report entitled *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*² in which they summarize the results of numerous national studies and Census data that demonstrate the link. For example, one national study of welfare recipients found that each year of schooling beyond high school increased wages by about 7 percent.³ Census data from 1999 show that women with an associate degree earn more than twice as much as those without a high school diploma (about \$24,000 annually compared to about \$11,000) and 37 percent more than those with only a high school diploma (who earn about \$17,000).⁴

We understand that difficult decisions must be made by this Committee, in light of the projected budget deficit, and that proposing an increase of \$18 million may seem unrealistic. However, the State of Connecticut receives \$267 million in federal funds under TANF, and is required to spend \$184 million more in "maintenance of effort" state funds. In other words, a total of \$451 million must be spent on assisting needy families in our state. Of this amount, approximately \$125 million is spent on cash assistance, \$38 million on childcare, and \$16 million on job search and job training. More than \$125 million is spent on a category labeled "Other" in our state reports to the federal government, much of which is allocated to DCF, the State Department of Education, and other state agencies. We are urging you to reallocate \$18 million of these funds to better assist adults on welfare to enter the labor market and achieve economic self-sufficiency.

Funding for other worker training programs within DOL has been steadily reduced over the past several years. We also urge you to consider increased funding for apprenticeship programs, customized job training and nontraditional occupations programs. We are encouraged to see the proposed \$3 million for a new "21st Century Skills Fund," the description of which includes

¹ *At-A-Squint, Jobs First Employment Services Participants Served by CTWorks, October 2004*

² Karin Martinson and Julie Strawn, Center for Law and Social Policy, April, 2003.

³ *Ibid.*, citing Corcoran, M., & Loeb, S. (2001) Welfare, work experience, and economic self-sufficiency. *Journal of Policy Analysis and Management*, 20(1); see also Kane, T. J., & Rouse, C. E. (1995, June) Labor market returns to two and four year college. *American Economic Review*.

⁴ *Ibid.*, citing U.S. Census Bureau. (2000, December). Table 9: Earnings in 1999 by educational attainment for people over 18 years old and over, by age, sex, race, and Hispanic origin: March 2000. Washington, DC: Data cited is for females between the ages of 25 and 64, with earnings.

important elements such as work-study, expanded childcare and innovative “contextual learning” programs. We hope this initiative, if funded, will focus on low-wage workers and welfare recipients who desperately need such opportunities to lift themselves and their families out of poverty.

Thank you.

